JANUARY 6, 1964

NEW ECONOMIC
PLAN FOR SPAIN

UGANDA DIVERSIFIES
ITS AGRICULTURE

REVIEW OF CANADA'S
1963 WHEAT EXPORTS

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

JANUARY 6, 1964

VOLUME II • NUMBER 1

Citrus-picking in Valencia. Citrus is one of Spain's biggest export crops, and under country's new economic plan considerable expansion is foreseen in next few years.

Contents

Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington, D. C. 20250. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is $5.50, domestic, $8.00, foreign; single copies are 15 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington, D. C. 20401.

5823

Spain Embarks on $5.6 Billion Economic Plan

Large expenditures will be made for agriculture and irrigation, with the aim of bettering the domestic food supply and boosting exports of farm products.

To spur its economic growth and to integrate its economy with those of its European neighbors, Spain this month will launch a 4-year development plan embracing all phases of the national life.

The cost of this gigantic program has been set at $5.6 billion. The biggest single item is transportation, which calls for the spending of $1.4 million. Housing and urban development rank second, with a share totaling $1.1 billion. On a large scale too is the amount earmarked for agriculture—over $321 million for agriculture alone and around $815 million for irrigation, from which agriculture will benefit.

Despite Spain's growing industrialization, agriculture still constitutes the way of life for nearly half the population. Also, between 50 and 60 percent of Spain's exports are agricultural, as are 30 percent of its imports.

The Spaniards recognize that if their overall economic targets are to be met, their agriculture must undergo radical changes. And they propose to make these changes: first, through the intensive capitalization of agriculture to increase human and technical resources; second, through the expansion of irrigation, land consolidation, and reforestation; and third, through the investment of large sums to increase agricultural productivity.

Changing the land structure

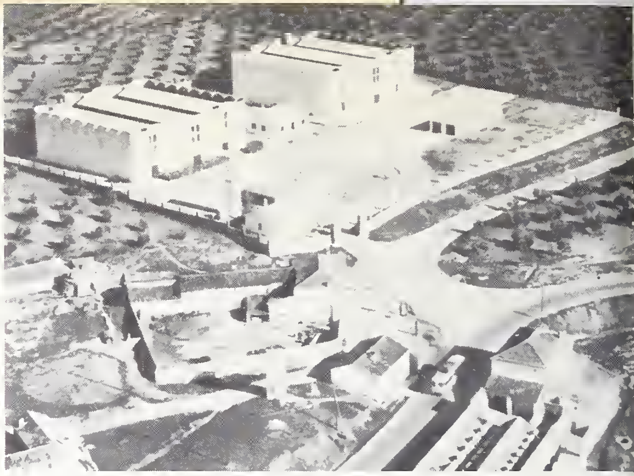
Of capital importance is irrigation. Spain is a country of high plateaus divided by barren mountain ranges, and much of the land is subject to erosion. Rainfall is inadequate in many areas, and temperatures range from extreme heat to bitter cold. Only about 40 percent of the land is cultivable.

Currently, less than 4 percent of the country's 50.5 million hectares (1 hectare = 2.471 acres) of land are covered by irrigation. Without an expansion of irrigated land few if any gains can be made in Spain's agriculture, and very little can be done to eradicate poverty and economic instability from the affected farming areas. The Planning Commission is only too aware of this—thus its goal of completing whatever irrigation works are underway, of adding on some 270,000 hectares of irrigated land, and improving an additional 75,000. Priority will be given to land that offers the best prospects for exports.

The Commission also recognizes the urgent need to speed up land consolidation. In the southern part of Spain many of the farms are extremely large; in the north they are apt to be small and fragmented. To permit mechanization and to raise farm income, some 1 million hectares will be consolidated in the 4-year period, mainly in Old Castile, Leon, and Galicia. Minimum farm sizes will also be established for the various regions.

As for soil conservation and the control of erosion, the Plan envisages the improvement of 300,000 hectares by 1968. Projects will be scheduled for the Ebro and Duero watersheds, the Central Plateau, Andalusia, and other sections. Further structural improvements include the refor-

Dam for hydroelectric power, Galicia



Left, table olives are carefully hand-picked, also hand-stuffed. Above, a modern oil processing plant. Spain has long been the world's No. 1 olive grower.

estation of 91,000 hectares of land each year, as well as the establishment and regeneration of some 12,750 hectares of pasturelands.

Agricultural policy

Carefully spelled out in the Plan is Spain's agricultural policy. The capital problems are said to be the need to expand exports as well as to increase the competitive position of the economy, and the absolute necessity of increasing the standard of living of Spanish farmers. Continuing, the Plan states:

"We will endeavor to meet new demands for agricultural products with our own production, at adequate costs. If we want to keep supplies on level with the rapid expansion of our economy, our agricultural policy must be influenced by the perspectives of demand for each group of commodities, as well as by world market prices. This implies the adoption of criteria favoring the growth of food production required by a higher standard of living, and the boosting of production of traditional export products as well as any new commodities that may be in demand abroad."

Other policy stipulations include:

- Establishment of support prices to insure fair returns to producers without adversely affecting the cost of living.
- Liberalizaiton of imports, maintaining support prices by means of variable levies.
- Improvement of marketing and distribution channels, limiting government intervention to the purchase of farm produces that are freely offered at support prices.
- Avoidance of agricultural surpluses at prices above the world market level.
- Regulation of financial aid to farmers in such a way that it will not be reflected in soaring prices.

Supply and demand projected

Spanish projections make the country responsible for its own food and fiber consumption, provided prices fit into the economic picture of the future; and they also see agriculture contributing in a much larger degree to the export trade. Research by the Commission indicates that, by the end of 1967, agriculture will be able to attain the following production goals:

	Production *1,000 tons*	Demand *1,000 tons*
Wheat [1]	3,996.0	3,996.0
Rice [1]	481.7	481.7
Potatoes [1]	5,151.8	5,151.8
Sugar	921.9	1,010.2
Pulses (legumes) [1]	329.7	329.7
Vegetables	6,475.8	6,475.8
Citrus [2]	2,042.0	3,007.1
Other fresh fruits	2,660.0	3,383.8
Nuts	251.6	319.8
Olive oil	499.0	757.3
Wine [3]	20,870.0	20,870.0
Cotton [4]	114,000.0	114,000.0

[1] Does not include seed. [2] Average of probable supply. [3] In thousands of hectoliters. [4] To meet domestic consumption requirements.

From this table, it is obvious that Spain does not expect to meet total demand for sugar, citrus, other fresh fruits, nuts, and olive oil.

Although Spain plans to expand sugar beet production, demand is expected to increase at a much faster rate. New plantings of citrus and other fruits will not be producing in sufficient quantity to permit any substantial gains in exports in the next 4 years. The same is true for edible oils. Spain counts heavily on its olive oil exports, but 4 years is too short a time to make fast gains in the output of olive and other edible oils.

Spain expects to supply most of the livestock products needed, but recognizes that in 1967 it will not have the feed and forage required. Expectations are that it will have to import some 500,000 metric tons of feed grains

Spain's economic plan calls for many new installations to aid marketing of farm products. Above, a modern storage shed for cotton; and right, new silo in Carmona, Seville.

and more than 300,000 tons of protein cake and meal. The Commission's reasoning is that it is better to import feedstuffs than to import meat, eggs, and such. There appear to be no obstacles in the production of poultry and lamb, but 4 years may prove to be too short to expand beef production. Pork output depends largely on the control of African swine fever.

Wide-scale help to farming

With regard to agriculture, Spain's new plan is fairly inclusive. It tackles deficiencies from many angles and sets up measures to help the country's farmers that could effect important and lasting changes. That this modernization is perhaps overdue does not lessen its impact. Briefly, here are some of the things for which funds have been set aside:

Nurseries.—The Spanish Government will establish a Nurseries Service for fruit trees, vineyards, and olive trees, and also will set up nurseries for each major type of climate and soil.

Pest Control.—Much has already been done, particularly to protect olives, citrus, and other fruit as well as vegetable crops, potatoes, and grains. This work will be intensified. The burden of it will be carried by private farmers, with financial help from the government.

Farm mechanization.—The Plan sets aside $613 million to be granted as loans or credits to farmers for the purchase of farm machinery, provided their farms are of adequate size and economically sound.

Fertilizers, farm buildings, livestock.—More extensive application of fertilizers is proposed, also the improvement of farm buildings, for which loans up to 40 percent of cost will be granted. As for livestock, the program calls for increased imports of select breeding stock, and the establishment of some 200 breeding centers, as well as livestock laboratories in most of the Provinces.

Processing and marketing.—Installations for the processing and marketing of agricultural products are considered essential. Here though, private capital is urged to bear the cost, with government loans for the construction of buildings and the purchase of equipment. Installations called for include slaughterhouses-cold storage plants, dairy plants, horticultural centers, sheds for the preparation of citrus fruits, mobile refrigeration stations near ports, fruit and vegetable exchanges, food-packing plants, grain storage facilities, and port silos for wheat and feed grains.

Hoped-for gains

On the basis of what Spain hopes to accomplish, i.e., to better the standard of living of the Spanish people and to increase agricultural exports, the following tables show specifically where the gains are to be made:

COMPOSITION OF THE DIET (1959-61 = 100)

	1961-62	1967	Indices 1961-62	Indices 1967
Total calories, number per day	2,746	3,092	100	113
Percent calories furnished by cereals	42	32		
Percent calories furnished by cereals & potatoes	51	42		
Total proteins, grams	75	82	100	109
Vegetable proteins, grams	54	54	100	98
Animal proteins, grams	21	29	100	138
Fat, grams	85	108	100	127

FARM EXPORTS (1961-62 = 100)

	1967-68
Fruits	201.16
Oil	126.86
Vegetables	126.73
Wine	176.85
Cereals	159.90
Potatoes	176.49
Condiments	111.06
Pulse (legumes)	109.21
Industrial plants	100.83
Livestock products	124.11
Forestry products	117.07

The FOREIGN MARKET for TOBACCO

U.S. exports of unmanufactured tobacco for the year ending June 30, 1964, are likely to be moderately above the 474 million pounds (export weight) shipped out in fiscal 1963. This expected increase, however, only indicates recovery from the low figure for fiscal 1963, which resulted mainly from a larger than normal proportion of undesirable leaf in the 1962 flue-cured harvest.

The anticipated gain may be attributed to several factors, one being a better quality flue-cured crop in 1963. Others are low stocks of U.S. leaf in a number of markets, including the United Kingdom—our largest foreign outlet; reduced export availabilities in the Rhodesias-Nyasaland and India; ample gold and dollar reserves in most foreign markets; and the possibility that some U.S. leaf may move to the Soviet Bloc areas, which have taken very little in the past.

Beyond 1964 the prospects are somewhat uncertain. It would seem that U.S. tobacco should benefit from an expected rise in cigarette manufacture abroad, as increased consumer purchasing power, in conjunction with rising economic activity, enables smokers to spend more of their incomes on tobacco products. However, there are several factors that would tend to limit any such gain. Among these are increased competition from foreign producers, who are being encouraged by their governments to grow larger tobacco crops and to improve the quality of their leaf; and trade barriers, both tariff and nontariff.

Already the United States has felt the impact—in its decreasing share of Free World tobacco trade.

Tobacco exports by the Free World have spiraled in recent years, setting a record in 1961, and again in 1962 when they reached 1.7 billion pounds. The United States could not keep pace; its share of the market dropped from 35 percent in 1955-59 to 30 percent in 1961 to 28 percent in 1962. Meanwhile, the Rhodesias-Nyasaland, the Philippines, Japan, and Mexico bettered their positions.

Cigarette output key factor

The principal factor in the size of the world market for tobacco is the trend in cigarette output. Production of cigarettes had been increasing by 4 to 5 percent annually until recently when it began to slow down. Gains can be expected in the future, though they are not likely to be at the former level.

World exports of cigarette leaf are rising but not as rapidly as might be expected, considering the gains in cigarette smoking. One reason for this lag is that countries in which demand for cigarettes is growing the fastest utilize mainly domestic supplies of leaf. Another factor is the trend toward filter-tipped cigarettes, which usually contain less tobacco than regular ones. Finally, manufacturers are able to make more regular cigarettes from a given quality of tobacco than formerly by using a larger percentage of the leaf. These developments are bound to affect future world demand for imported leaf.

World tobacco supplies rising

Because the world tobacco import market is limited, the level of supplies available for shipment in competing countries is of paramount importance to U.S. growers and exporters. Many nations are attempting to increase their tobacco output, and some of these enjoy trading advantages that enable them to dispose of their export surpluses more readily than the United States, despite the latter's generally accepted quality advantage.

Foreign countries are making especially strong gains in *flue-cured,* which makes up nearly half of all leaf exports by the Free World and about 80 percent of those by the United States. Competitors to watch are the Rhodesias-Nyasaland, India, and Canada.

But for unfavorable weather, Rhodesia's 1963 harvest of flue-cured would have reached a record 250 million pounds, instead of the actual 200 million. That country hopes to raise its future output by about 5 percent annually, mainly by increasing yields. It also expects to make more progress than it has made to date—and this has been noteworthy—in grading, packing, growing prescribed varieties of leaf, and in expanding research.

Rhodesia has a number of advantages enabling it to take an ever increasing share of world flue-cured trade. One is a purchase arrangement between U.K. manufacturers and Rhodesian growers, practically guaranteeing a market for more than 100 million pounds of leaf annually. This coupled with a duty preference of 21.5 cents per pound in the big U.K. market—which takes about 40 percent of Free World exports of flue-cured—results in the British importer paying a higher price than the true market value of the leaf: in turn, the Rhodesians are able to sell lower quality leaf to other European countries, such as Belgium, and the Netherlands, under its true market value.

Besides, the Rhodesians have a wider range of grade prices and lower labor costs. And, the EEC tariff on tobacco is on an ad valorem basis, which has a greater impact on the higher quality, higher priced U.S. leaf than on Rhodesian tobacco.

Canada and India have also improved their positions in the world flue-cured picture. With record 1962 exports behind them, both are attempting to boost further their exports and crop quality. Like the Rhodesias-Nyasaland, they have a 21.5-cent duty preference in the British market.

These three countries have made sharp inroads in the important U.S. markets. This is true not only in the United Kingdom (where Rhodesia, particularly, has gained) but also in West Germany, the Netherlands, Belgium, Japan, and Australia. However, most major markets outside the Commonwealth that use high-quality flue-cured—Ireland, Sweden, Denmark, and Finland—have continued to purchase the bulk of their leaf from the United States.

Prepared by Tobacco Division, Foreign Agricultural Service.

The major importers of flue-cured are, on the whole, highly industrialized, with relatively good standards of living and accompanying high levels of tobacco consumption. Per capita consumption in these countries is not expected to increase much, especially since cigarette prices in most are already quite high in relation to consumer incomes. Added to this is the growing publicity linking cigarette smoking to health hazards.

Oriental and burley exports up

Exports of *oriental* tobacco, making up about 20 percent of total Free World trade, are expected to rise, as this type has become increasingly popular as a constituent in the filter-tipped brands of European countries. Further growth in demand for oriental could limit the market for other kinds of tobacco.

Practically all major producers of oriental tobacco had record or near record harvests in 1963, indicating a probable export high in 1964. Marketings for these crops are likely to pose problems similar to those faced by producers of oriental tobacco in the late 1950's—a period when supplies available for export considerably exceeded demand.

Burley is another tobacco that has gained in popularity because of the trend toward blended cigarettes. The outlook for this leaf is promising, with exports from all major producing countries, is expected to increase.

U.S. exports of burley in 1962, at 40 million pounds, were the largest since 1947. This country supplies more than half the burley entering world trade.

Competing countries are also stepping up their burley crops and intensifying efforts to increase exports. Major competitors in world markets include Italy, Japan, the Rhodesias-Nyasaland, Canada, and Mexico. Their average export prices are well below those for the U.S. leaf.

Dark tobaccos appear to have a bleak future. For many years, the world trend in consumption has been toward light cigarettes, away from dark tobaccos. The future trend in world demand for these tobaccos is indicated by the recent data on U.S. exports, as compared with pre-World War II figures. In 1962, U.S. exports of dark tobacco totaled about 27 million pounds, compared with an average of about 75 million in 1934-38.

Except for specialty uses—such as fire-cured used in Norway in twist, and in Switzerland, West Germany, and Austria in cigars—there does not seem to be any chance of enlarging the foreign market for dark leaf, especially when the lower prices offered by competitors such as the Rhodesias-Nyasaland, Italy, Colombia, Brazil, and the Dominican Republic are considered.

For cigar leaf—especially wrapper—there is some hope for a larger market, in view of the fact that Indonesia's production appears to be appreciably less significant.

The EEC tariff

The presently scheduled EEC external tariff has been set at 28 percent ad valorem, with a maximum 17.2 cents per pound and a minimum of 13.2. (For higher priced tobaccos, mainly cigar wrapper over $1.27 per pound, the duty is 15 cents ad valorem with a maximum of 31.8 cents.) The 4-cent spread between the maximum and minimum proposed external tariff gives competitors an advantage over the United States. Unless the spread is eliminated or reduced, it is certain to affect the market for U.S. leaf in future years in the EEC countries.

Canada's Wheat Exports Reach a Record Level

The USSR's huge purchase of wheat and flour from Canada in the fall of 1963 has helped to boost Canadian exports of these items far above the levels in past years. In fact, indications are that Canada's 550-million bushel export target for the marketing year 1963-64—already sharply above the August estimate of 320-330 million—may be surpassed before the year is over.

Shipments are reported moving ahead of schedule, and exports of wheat and wheat flour equivalent during the first period of the current marketing year, August-November, totaled a record 203 million bushels—68 percent above the 121 million for the same period a year ago. In view of these large shipments, some Canadians are predicting that exports may reach 600 million bushels.

The St. Lawrence Seaway closed for the season on December 11, but wheat shipments are continuing from Atlantic and Pacific ports. Railway facilities are still transporing maximum loads of wheat to the ports. Storage of wheat at Montreal, Baie-Comeau, Trois-Rivières, St. Johns, and Halifax is about 30 million bushels, or two-thirds of total capacity.

Larger takings by European countries affected by last year's severe winter, plus unprecedented 200-million-bushel purchase by the Soviet Union, are helping to bring about this year's record exports.

Several other Bloc countries have also purchased wheat from Canada. In the past 4 months, Canada has concluded an agreement with China; found a new customer in Bulgaria; converted Czechoslovakia from a sporadic buyer to a regular one; and upped annual exports to Poland.

To date, China has contracted for imports of 18.7 million bushels of Canadian wheat, for shipment by January 31, 1964. It is expected that a further contract will be concluded within the near future, as representatives of the China Resources Company have been in Canada for some time negotiating with the Canadian Wheat Board.

In October, Bulgaria signed a 3-year agreement for the purchase of 3.7 million bushels of wheat annually, with the option of a further 5.5 million, if it could be made available. In the same month, Czechoslovakia became a regular customer, with the signing of an agreement to buy 44 million bushels of wheat in the next 5 years. This was followed in November by a 3-year contract with Poland for 44 million bushels. Imports by that country, which will average 14.7 million bushels annually, will exceed the combined total of the best 3 years to date.

Above, harvesting the tea. Uganda is rapidly expanding production of tea—that country's major new export crop.

Top left, Ugandans gather to market their coffee. Left, fermentation tank on an African Estate. Coffee is still one of Uganda's biggest revenue earners.

Uganda Diversifies Its Agriculture

The newly independent nations of Africa seem to have one common problem—dependence upon one or two crops for most of their export revenue. Uganda is no exception, and in the face of declining returns from its major exports—cotton and coffee—this country is attempting to find other crops suitable for widespread cultivation.

Cotton and coffee in 1962 accounted for 76 percent of Uganda's total exports. This dependence on two crops which are acutely affected by weather has made the country extremely vulnerable to fluctuation in demand, supply, and price and has led to a falling-off of its trade. Exports, which have been declining for the last 5 years, in 1962 were valued at about $4.5 million below those of 1961. Also, Uganda, which at one time exported more than either of its neighbors—Kenya and Tanganyika—has now been surpassed in its export trade by Tanganyika and may soon be by Kenya.

As a result, Uganda is experimenting with a wide variety of crops to discover which are best suited to cultivation on both smallholdings and estates. Expansion seems most likely for tea, sugar, tobacco, and such minor crops as castorseeds and vanilla.

Tea is the major new export crop expected to compensate for the lower revenue from coffee. The area planted to tea has risen from 3,000 acres before the war to nearly 19,000 in 1961. That year the crop amounted to 5,034 tons with an export value of $4,133,609. Production again increased in 1962 to 6,194 tons, with exports valued at $5,597,535.

Playing a major part in the development of this crop is the Uganda Development Company's subsidiary, Agricultural Enterprises Limited. Thus far it has established six subsidiary tea companies with holdings of about 2,000 acres. Factories are being erected on estates, and a new company—Solutea Limited—is to build a factory for making soluble tea which will take a large proportion of the estate's production of manufactured tea.

African farmers have also taken an interest in this crop, which until recently was grown entirely on European-owned estates. By the end of 1961 the acreage licensed to Africans amounted to 1,284 acres.

Sugar is another crop that has good prospects for expansion, although presently two privately owned estates account for all the production. In 1959 East African sugar output totaled 135,000 tons, with 81,000 produced by Uganda. By 1962, Uganda had increased its sugar production to 104,255 tons, of which 35,840 were exported to Kenya. It has been estimated that East African sugar

Above, African family sorting its cotton. Top left, heifers get supplementary feeding; one of Uganda's goals is improvement of its dairy industry. Left, men load truck with cane, another crop of increasing importance.

consumption will rise to 287,000 tons by 1966, and even with expected increases in production in Kenya and Tanganyika, there should be a market for 64,000 tons of Uganda's sugar.

Tobacco acreage is also being increased. By 1965 the acreage planted to this crop is expected to be double the 1961 figure of 17,000 acres. There is a common market for tobacco and tobacco products in East Africa which supplies about 90 percent of the three countries' requirements. Attempts to sell Ugandan tobacco overseas have so far been disappointing; however, a campaign has been initiated by Uganda's Department of Agriculture to raise tobacco quality by introducing better seed, improving curing techniques, and offering wider price differentials.

A wide variety of minor crops are being tried out in various parts of Uganda. These include castorseed, vanilla, citrus, cardamon, ginger, tumeric, palms, paw paws, pepper, fruit, and vegetables. Most promising of these are *castorseeds* and *vanilla*. Castorseeds have been produced in large quantities in Tanganyika, but this crop has not been sufficiently encouraged in Uganda. Currently exports total around 2,000 tons annually; however, the Agriculture Department hopes to capitalize on increasing world demand for castor oil and raise production to 10,000 tons annually. Exports of vanilla, which in 1960 totaled 5,200 pounds, are expected to rise to 20,000 pounds by 1964.

Despite Uganda's efforts to diversify its agriculture, cotton and coffee are expected to remain the backbone of that country's farm economy.

The current goal for *cotton* production is a half-million tons. The increase is to be achieved by upping acreage from the 1960-61 level of 1.5 million acres to well over 2 million and by organizing a subsidized spraying campaign. Spraying against Lygus bug and bollworm in some areas has helped to increase the acreage yield per acre of cottonseed by as much as 480 pounds.

Uganda's cotton is of good quality, with 60-70 percent the long-staple variety. Next to India, Uganda is the largest cotton producer in the Commonwealth. In normal years, cotton accounts for about 40 percent of the country's export earnings. Exports of this commodity will probably continue to make a vital contribution to Uganda's economy, since a crop has not yet been found that could supplant cotton in the African farming program and produce as good an income when sold on world markets.

Coffee surpassed cotton in value in 1962; however, there is little opportunity for expansion in this commodity. Therefore, Uganda's policy is to stabilize production slightly above its International Coffee Agreement quota and to concentrate on improving the product's quality. It is proposed that this be achieved by a government-subsidized scheme providing rough-hullers to growers' cooperatives and by abandoning price control. The government also hopes to encourage growers to produce more pulped and washed coffee.

In 1961, 41,000 acres were planted to Arabia coffee and 538,000 to Robusta. The much smaller production of Arabica coffee, which is limited by the area of suitable land, will be assisted by a program of pest control and the establishment of a research center. It is expected that there will be a slight reduction in the area planted to Robusta as farmers are encouraged to switch to other crops.

Developing Nations Lag in Food-Population Race

These excerpts from the foreword to The State of Food and Agriculture, 1963 *give a bird's-eye view of the broad territory covered in the annual report published recently by the Food and Agriculture Organization of the United Nations. They also show something of FAO's economic philosophy, as expressed in this staff report.*

Although agricultural production in 1962-63 recovered from the setback of the year before, per capita food production has remained virtually unchanged over the past 5 years. Moreover, although the percentage growth of production has been almost as fast in the developing as in the more developed regions of the world, the former have fared less well on a per capita basis because of the accelerating growth of their populations. Their food consumption levels have been maintained only by a shift in the pattern of international trade, including large imports of surplus foods from the more developed countries. It is, however, clear that any sustained attack on the problem of hunger must come from a much more rapid growth of food production in the developing countries themselves.

Increasing agricultural output

To achieve this goal, many technical, educational, and economic problems of agricultural development must be solved. Research must be expanded to fill the gaps in our knowledge, hitherto based mainly on agricultural science and experience in temperate zones. New and more productive systems and methods of farming adapted to local conditions need to be worked out and applied in the developing countries. In addition to advances in general education, there is the special problem of making the producers aware of the new possibilities opened up to them, and promoting faster adoption of improved practices.

The economic and social aspects of agricultural development are no less important. Production is hampered in developing countries not only by primitive methods of farming, but also by obsolete institutions, notably in land tenure, credit, and marketing, which in many countries take away much of the incentive for farmers to adopt improved techniques needed to increase their output over and above the needs of their own families.

. . . Very high productivity of land has sometimes been achieved at an early stage of economic development in countries or areas where the pressure of population on land resources has been heavy, resulting in a high intensity of total demand for agricultural products in relation to those resources. However, high productivity per man, and therefore high per capita income in agriculture, appears to come only at a later stage of economic development, when there is a large and rapidly expanding urban market for farm products.

. . . One of the most effective technical measures for raising agricultural production and productivity is the increased use of fertilizers, a field in which FAO's programs are already making considerable progress, aided by a generous contribution from the fertilizer industries to the Freedom from Hunger Campaign. The possibilities offered by increased use of fertilizers raise the question to what extent developed countries can expand the inclusion of fertilizers in their aid programs in future. However, fertilizers cannot make their full contribution to production without parallel improvements in other directions, including irrigation, plant breeding, the adoption of improved planting materials by farmers, the better control of weeds, diseases, and pests, and the expansion of suitable fertilizer distribution programs.

Investment and planning

This interrelationship of measures and investments required if potentialities for increased productivity are to be realized is a major factor in the almost universal adoption of planning in less developed countries. More effective development planning in the agricultural sector is urgently needed if the 5-percent annual rate of overall economic growth envisaged for the United Nations Development Decade is to be achieved.

The Freedom from Hunger Campaign is FAO's contribution to the United Nations Development Decade. But freedom from hunger should not be interpreted to mean only increased food supplies. It eventually depends on raising all-round purchasing power through economic development, and thus on the successful implementation of development plans.

A crucial factor in the execution of these plans is the foreign exchange which is needed for the import of capital goods. In most developing countries this comes mainly, if not entirely, from agricultural exports. The volume of agricultural exports from the developing countries has grown by well over a third during the past decade. Their value in real terms has grown scarcely at all, however, because of the fall in agricultural prices and the rise in prices of exports of manufactured goods. In relation to population, agricultural export earnings have fallen heavily over the past decade, and FAO projections published last year hold out few prospects for any material improvement in this situation.

How FAO is helping

Examination has continued of proposals for the compensatory financing of short-term fluctuations in export earnings. Progress in respect of international commodity agreements includes the negotiation of a long-term agreement for coffee and the preparation of a draft cocoa agreement for consideration at an international conference later this year. The possibilities for commodity arrangements of a more comprehensive character are also being explored. Active preparations, in which FAO is participating fully, are under way for the vital United Nations Conference on Trade and Development, which is to convene next year [1964] to seek new approaches to the problem of raising the export earnings of the developing countries.

U.S. Registration of Mexican Angus May Further Exports of U.S. Purebred Cattle

At the request of Mexican cattle breeders, the American Angus Association will open its herd books this month for the first time to registrations of Mexican Angus cattle. The move is expected to further stimulate efforts of the Mexican cattle industry in upgrading herds, as well as to stir interest in importing more purebred U.S. Angus cattle.

Other U.S. breeding groups which have opened their herd books to registration of Mexican cattle include—the Hereford, Brahman, Santa Gertrudis, and Charolaise Associations.

Increased emphasis on livestock improvement followed a recent decision of the Mexican Government to set up meat grading systems in selected cities which would price beef according to quality. Previously beef from old cows and bulls with few exceptions sold for the same price as the best steer beef. The growing number of supermarkets in Mexico also will stimulate the sale of quality beef.

Mexican cattlemen and their trade associations are now pushing to extend the beef grading system throughout the country. This would assure that most offspring of cattle registered with the American Angus Association can bring premium prices on the Mexican cattle market.

The greater availability of feed grains in Mexico is another incentive to raise better cattle. A moderate surplus in corn production in 1961—for the first time in excess of human needs—led to the start of grain-feeding of livestock. Though corn output was not as large in the following years, the improvement in cattle was so significant that the Mexican Government decided to step up feed grain imports, much coming from the United States.

Since the demand for better quality cattle cannot be met immediately by existing herds eligible for registration, large numbers of range bulls and females will be imported for crossing with local stock. In addition, the market for "quality" U.S. Angus bulls should expand. In 1962 Mexico took 1,104 head of U.S. Angus out of a total 5,363 head of all breeds imported that year from the United States. Angus sales were second only to those of Hereford. A new high in 1963 will be set for Angus exports to Mexico, according to recent estimates.

Mexican breeders are not anticipating any change in Mexican law which now prohibits exports of breeding animals and all female cattle.

Wheat Ass'n Trophy Goes To M. Sakamoto of Japan

Wheat trader M. Sakamoto of Kanematsu and Company was low-score man among the 40 Japanese grain importers who competed recently for the Oregon Wheat Cup, awarded annually by Wheat Associates, USA, Inc., to the winner of the Grain Importers Golf Tournament in Tokyo. His net 73 was one stroke under Shintowa grain dealer, T. Miyazaki.

The silver trophy, first presented by the Oregon Wheat Growers League (now a member of Wheat Associates) in 1956, is regarded as a symbol of friendship between Japan's importers and American wheat producers.

U.S. Feeds Stress Marketing in Greece

The U.S. Feed Grains Council-Soybean Council of America's joint office in Athens moves into its second year of market development in Greece this month with plans to put major emphasis in 1964 on technical assistance to the country's food distribution system. An improved marketing system would up consumption by providing cheaper, better food and result in further expansion of the livestock industry and imports of U.S. feeds.

To this end, the Athens office—only overseas market development office operated jointly by the two U.S. associations in cooperation with FAS—will hold a number of marketing seminars in 1964, as well as the nutrition seminars which were a feature of the first year's program. Feed demonstrations will continue and a new booklet on poultry is being readied to follow up the one issued last year to 20,000 poultry producers. Also underway are plans to participate in a number of agricultural fairs in Greece.

Providing a firm basis for the new year's program will be the working relationships set up last year with Greek Government officials, the Agricultural Bank of Greece, agricultural colleges, the oil industry, mixed feed manufacturers, and livestock cooperatives and producers.

Greece's livestock industry is growing steadily as the country's per capita income rises. Keeping pace with them are increasing imports of feed grains, which in 1964-65 are expected to be 15 percent higher than the previous year's. Under an agreement signed recently with the United States, Greece will take 233,000 tons of U.S. feed grains in 1964-65, of which 25,000 tons will be for dollars. The rest will be under Title I, P.L. 480.

Exports of U.S. soybean meal to Greece—all dollar sales—rose from 1,537 short tons in 1960-61 to 4,860 in 1962-63. During 1963, Greece also imported 19,500 tons of U.S. soybean oil (predominantly cash sales) and soon after the new office was opened an olive oil-soybean oil blend was introduced for human consumption. The Greek Government has recently announced new high support prices for olive oil which is expected to increase demand for the blend.

Soviet Grain Production

According to figures given by a Soviet official at the Supreme Soviet and published in *Pravda* in December, the total 1963 grain harvest in the Soviet Union is calculated at about 93 million metric tons. This figure includes all the major grains plus corn in the milk-wax stage of ripeness and pulses.

The official figure for Soviet production in 1962 was 148.2 million metric tons, which is considered by analysts to be highly inflated. The 1963 estimate, however, is very close to the one by the U.S. Department of Agriculture.

Outlook Good for U.S. Grain Sales to Japan

Another good year is in prospect for U.S. agricultural exports to Japan. Sales of wheat and grain sorghums seem particularly promising.

U.S. wheat shipments to Japan will be greatly helped by Japan's short 1963 wheat crop.

Grain sorghum has found ready acceptance in Japan, and imports—all of which come from the United States—could approach the million-ton mark in 1964, compared with 700,000 in 1963 and only 144,000 in 1961. Grain sorghum import restrictions may be liberalized early in 1964; this would tend to further increase U.S. sales.

Early indications also point to larger U.S. shipments of corn and alfalfa meal and pellets to Japan.

U.S. Feed Grain Exports Down 8 Percent

U.S. feed grain exports during July-October 1963 totaled 4.3 million metric tons compared with 4.6 million during the same 1962 period. Corn was the only feed grain showing an increase.

A detailed table and analysis was published in the December issue of the *World Agricultural Production and Trade—Statistical Report.*

Argentine Grain Sales Decline

Argentine grain exports for July-October 1963 totaled 1.7 million metric tons compared with 2.0 million during July-October 1962. All the grains—wheat, corn, rye, oats, and barley—showed substantial decreases, except for sorghum which more than doubled.

A detailed table and analysis appears in the December issue of the *World Agricultural Production and Trade—Statistical Report.*

New Zealand, U.K. Hold Meat Talks

Early in this month discussions will be held between New Zealand and the United Kingdom on certain meat proposals. Under an earlier agreement reached in 1962, New Zealand currently has treaty rights of unrestricted duty-free entry into the United Kingdom until 1967.

The U.K. proposals for meat are along the same lines as the recent U.K. butter agreement; i.e., voluntary quotas which would stabilize the level of imports and permit prices to be maintained at a sound level.

New Zealand has been keeping meat exports to the United Kingdom between 649.6 and 672.0 million pounds in recent years, mainly because it has been developing other markets.

Israel Imports Frozen Beef From U.S.

The Israeli Ministry of Commerce and Industry recently purchased 2,240,000 pounds of kosher frozen beef in the United States of which 1,008,000 have already been received. This purchase was necessitated by a reduction in quantities of fresh beef available and a forecasted rise in the consumer price.

Although U.S. beef is recognized as being superior in quality, its relatively high percentage of fat does not make it popular with Israeli consumers.

The average price paid for U.S. meat was about double the price of the Argentine beef, usually imported by Israel. The government will absorb this cost differential, leaving the consumer price of frozen beef unchanged.

U.S. Exports of Livestock Products Increase

U.S. exports of livestock and meat products through the first 10 months of 1963 were above those for the previous year.

Lard exports through October were one-third higher than last year's, largely because of a 30-percent rise in shipments to the United Kingdom.

Inedible tallow and grease exports were up 14 percent. Shipments to EEC countries continued the downward trend of recent years, while larger amounts went to countries making purchases under P.L. 480. Japan and Spain took considerably more in 1963, and along with Turkey, Taiwan, and Egypt, accounted for most of the increase in tallow exports. Through October, about 190 million pounds of inedible grease had been exported—more than 50 percent above shipments in the same period last year. Japan, with 50 million pounds, took three times the amount purchased in the first 10 months of last year. The Netherlands was the largest buyer, taking nearly 80 million pounds.

Red meat exports were up 72 percent during the first 10 months, mainly because of a sharp increase in shipments of pork to Canada. Variety meat exports were up one-fifth owing to larger takings by Western Europe. Despite increased competition from synthetic casings, exports of natural casings continued to be sharply above those for the previous year.

The popularity of mohair sweaters and mufflers, both in Europe and the United States, has helped to increase exports of that commodity.

Shipments of cattle hides continued above the previous year's level—by about 10 percent—although those of calf and kip skins were down 14 percent and 32 percent, respectively.

U.S. EXPORTS OF LIVESTOCK PRODUCTS, OCTOBER 1963, WITH COMPARISONS

Item	October 1962	October 1963	Jan.-Oct. 1962	Jan.-Oct. 1963
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Animal fats:				
Lard	20,894	47,581	356,775	469,713
Inedible tallow and greases [1]	109,366	157,545	1,372,371	1,562,252
Edible tallow and greases [2]	962	765	10,513	9,124
Meat:				
Beef and veal	2,007	3,173	21,734	22,011
Pork	5,076	14,443	50,174	106,476
Lamb and mutton	95	94	1,871	753
Sausage:				
Except canned	125	142	1,263	1,394
Canned	72	89	689	755
Baby food, canned	115	30	848	563
Other canned meats	111	224	1,023	1,267
Total red meats	7,601	18,195	77,602	133,219
Variety meats	14,155	11,449	104,252	125,664
Sausage casings:				
Hog	650	1,403	10,373	12,547
Other natural	800	536	4,960	5,713
Mohair	1,047	1,729	11,100	12,485
	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces
Hides and skins:				
Cattle	581	919	5,916	6,468
Calf	140	168	1,464	1,256
Kip	32	22	283	193
Sheep and lamb	170	236	1,792	2,292

[1] Includes inedible tallow, oleic acid or red oil, stearic acid, and other inedible greases, fats, and oils. [2] Includes edible tallow; oleo oil, stearin; oleo stock, shortenings; animal fat, excl. lard.

Australian Livestock Situation

Australian cattle slaughter for the first 9 months of 1963, at 3.4 million head, was 11 percent above that in the 1962 period. However, indications are that this upward trend is leveling off at the present time.

Exports of frozen beef and veal for January-September 1963 totaled 459.8 million pounds — 12 percent above those of the same period in 1962. Shipments of beef to the United States also increased, with this country taking 86 percent of all Australian beef and veal exports in the first 9 months of 1963. Stocks of frozen meat at the end of September were 11 percent smaller than a year earlier, reflecting the rapid movement into exports of available supplies.

U.S. Meat Imports Continue Large

U.S. imports of red meat, at 1,199 million pounds, product weight, for the first 10 months of 1963 were 17 percent above those in the same period in 1962. Boneless beef, the major meat import, continued high, at 19 percent above the previous year's level. Imports of lamb totaled 16 million pounds—74 percent above 1962. Those of canned hams were up 6 percent.

Imports of wool during January-October 1963, at 239 million pounds, were 10 percent higher than in the same 1962 period. Imports of dutiable apparel wool were down 8 percent, while those of duty-free carpet wool were up 24 percent.

Imports of live cattle, at 591,158 head, continued to be 8 percent less than in the same period in 1962.

Imports of hides and skins showed mixed trends for the first 10 months of 1963. Imports of calf, kip, and goat and kid skins increased while those of cattle, buffalo, sheep and lamb, horse, and pig skins decreased.

LIVESTOCK PRODUCTS: U.S. IMPORTS OF SELECTED ITEMS, OCTOBER 1963, WITH COMPARISONS

(Product weight basis)

Commodity	October 1962	October 1963	Jan.-Oct. 1962	Jan.-Oct. 1963
Red meats:	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Beef and veal:				
Fresh and frozen, bone-in	1,777	1,990	14,949	16,465
Fresh and frozen, boneless	76,818	90,390	672,913	799,147
Canned, including corned [1]	6,219	9,229	67,011	94,402
Pickled and cured	39	74	416	579
Veal, fresh and frozen	3,868	3,559	17,283	19,499
Other meats [2]	1,013	1,490	21,007	21,879
Total beef & veal	89,734	106,732	793,579	951,971
Pork:				
Hams and shoulders canned	12,802	13,181	110,600	117,279
Other pork [3]	5,924	5,966	59,590	58,448
Total pork	18,726	19,147	170,190	175,727
Mutton	2,566	1,460	49,906	54,948
Lamb	1,433	1,341	9,347	16,267
Total red meat	112,459	128,680	1,023,022	1,198,913
Variety meats [4]	372	443	1,968	2,565
Wool (clean basis)				
Dutiable	9,347	5,484	99,773	92,480
Duty-free	15,354	14,700	117,680	146,297
Total wool	24,701	20,184	217,453	238,777
	1,000 pieces	1,000 pieces	1,000 pieces	1,000 pieces
Hides and skins:				
Cattle	18	24	364	323
Calf	38	100	618	754
Buffalo	58	28	682	499
Kip	66	72	671	847
Sheep and lamb	2,052	1,249	25,556	24,168
Goat and kid	954	1,250	12,390	12,624
Horse	13	22	423	367
Pig	119	82	1,377	794
	Number	Number	Number	Number
Live cattle [5]	48,914	24,186	643,479	591,158

[1] Includes canned sausage beginning September 1963. [2] Other meat—canned, prepared, or preserved. [3] Fresh or frozen; hams, shoulders, bacon not cooked; sausage, prepared and preserved. [4] Includes edible meats and sausage except pork and beef beginning September 1963. [5] Includes cattle for breeding.
U.S. Department of Commerce.

Canadian Cigarette and Cigar Sales Rise

Cigarette sales in Canada, based on tax-paid withdrawals, during the first 9 months of 1963 totaled 30.1 billion pieces—up 4.6 percent from the 28.8 billion sold during the same period in 1962.

Sales of cigars, at 271 million pieces, were up 7.3 percent, while sales of other tobacco products — smoking, chewing, and snuff—were down from those of the first 9 months of 1962.

Usings of leaf tobacco by manufacturers during January-September 1963 totaled 97.7 million pounds, compared with 96.2 million for the same period in 1962.

Usings of all kinds of leaf tobacco, except burley and some minor types, were up from a year ago. Consumption of flue-cured, at 87.1 million pounds, was up 2.1 percent, while burley at 3.1 million pounds was down 8.8 percent.

Use of imported leaf totaled 3.0 million pounds, compared with 2.8 million during January-September 1962; imported flue-cured rose to 613,000 pounds from 559,000 pounds for these first 9 months of 1962, and usings of imported cigar leaf and burley were also up from the previous year.

Stocks of domestic unmanufactured tobacco in Canada held by manufacturers on September 30, 1963, totaled 221.3 million pounds—up 17.9 million from the same date of the previous year. Flue-cured stocks totaled 196.9 million pounds, compared with 181.7 million held on September 30, 1962. Also, stocks of both domestic burley and cigar tobaccos were slightly larger than a year ago.

Canada Sells Tobacco to Bulgaria

Bulgaria recently purchased 3.7 million pounds of flue-cured tobacco from Canada, valued at $1,750,000. Shipment—from the port of Halifax—is scheduled for today. The tobacco is from the 1961 and 1962 crops. The Ontario Flue-cured Tobacco Growers Marketing Board still has about 21 million pounds remaining from these crops.

The sale reportedly resulted from contacts made last September and October by an overseas promotion mission of the Canadian tobacco industry. Negotiations are continuing for possible sales to other countries.

U.K. Cigarette Shipments Up Slightly

Cigarette exports from the United Kingdom during the first 9 months of 1963 totaled 19.9 million pounds—up 4.7 percent from those of January-September 1962. Larger shipments to non-Commonwealth areas account for the rise.

Shipments to non-Commonwealth countries, at 10.6 million pounds, were 23 percent larger than the 8.6 million exported in the first 9 months of 1962. Larger exports to France, Belgium, the Sudan, Spanish West Africa, Ethiopia, and the Canary Islands more than offset smaller shipments to the Netherlands, Switzerland, Iraq, and the Arabian States.

Exports to Commonwealth countries totaled 9.3 million pounds, compared with 10.4 million in January-September 1962. The reduced shipments to Malaya, India, Ceylon, Gibraltar, and Jamaica offset larger exports to Aden, Hong Kong, Persian Gulf States, Cyprus, Nigeria, and Australia.

South Africa's Tobacco Exports Set Record

The Republic of South Africa's exports of unmanufactured tobacco during 1962 totaled a record 17.3 million pounds. Shipments during 1962 were almost double the 1961 level of 9.3 million pounds, slightly over 8 times larger than the 1955-59 annual average of 2.1 million.

Larger shipments to the Netherlands, the United Kingdom, West Germany, Belgium, Canada, Ireland, Senegal, plus the sizable initial exports to Austria, Ivory Coast, Congo (Leopoldville) and the Canary Islands accounted for the big increase. However, exports to Australia, New Zealand, and Mozambique were down slightly from the previous year.

TOBACCO, UNMANUFACTURED: REPUBLIC OF SOUTH AFRICA, EXPORTS, 1960-62

Destination	1960	1961	1962
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Netherlands	6,331	2,708	4,810
United Kingdom	2,331	3,480	3,582
Austria	—	—	2,198
Australia	558	2,289	1,981
Ivory Coast	—	—	1,721
Germany, West	27	213	1,119
Senegal	—	134	899
Congo (Leopoldville)	—	—	200
Canada	552	81	159
Ireland	—	76	151
Canary Islands	—	—	134
Belgium	16	20	105
New Zealand	148	101	91
Other	440	159	157
Total	10,403	9,261	17,307

Average export prices per pound for leaf exports to major destinations in 1962, in terms of U.S. equivalents, were: the Netherlands, 9.6 cents; the United Kingdom, 34.2 cents; Austria, 4.3 cents; Australia, 21.8 cents; the Ivory Coast, 6.2 cents; West Germany, 9.1 cents; and Senegal, 6.2 cents. The average export prices of all leaf tobacco shipped abroad was equivalent to 12.9 U.S. cents per pound, compared with 19.7 cents in 1961.

Japan Allocates Funds for Citrus Imports

The Japanese Ministry of International Trade and Industry recently announced a fund allocation of $514,800 to import about 1,238 metric tons of lemons. Another allocation of $150,000 was announced for oranges and/or grapefruit. These allocations are for the last half of Japanese fiscal year 1963 (Oct. 1963-March 1964).

Kenya, Tanganyika Expanding Cashew Production

Production of raw cashew nuts is continuing to expand in Tanganyika and Kenya. Recent plantings, expected to come into bearing in the next 5 years, should help increase Kenya's production from an estimated 8,400 short tons in 1963 to 13,000 tons in 1968, and Tanganyika's from 64,000 to 95,000. Since both countries are encouraging new plantings, the crop is expected to be even larger by 1970.

Most of these countries' cashews are exported in-shell to India for processing, but Tanganyika hopes to establish a mechanized processing plant to handle 1,000 short tons of in-shell nuts by 1964. Kenya presently has a hand shelling plant with a capacity of about 1,300 tons of in-shell nuts, thus far not used to full capacity except in 1960-61.

Until 1961, practically all Tanganyika's cashews were sold through Asian traders, who either resold them to exporters or acted as exporters' agents. The Southern Province Cashew Board was established by the government in 1962 with sole authority to purchase cashews in that area.

The Board sells cashews at auction to exporters and pays growers on the basis of prices received at the past auction. Cooperatives serve as the original buyers in most cases and deliver the cashews to the Board warehouse at Mtwara. In the northern area, cashews are still handled by private traders.

The Government of Kenya sets the minimum cashew price, at present about 3.8 U.S. cents per pound. This is reported to be more than shellers can pay and is also considered high by exporters.

Production of cashews has been increasing in both Kenya and Tanganyika over the past 3 years. Exports by Tanganyika have increased also, while those by Kenya have varied considerably. During years when Kenya's prices are below Tanganyika's visible exports from Kenya are far below production. In such a year, exports from Tanganyika are above production levels. Many of Kenya's cashews have crossed into Tanganyika and have been exported from there during such years, according to some sources. The 1962 marketing of cashews is an example.

CASHEW PRODUCTION IN TANGANYIKA AND KENYA 1961-63

Country	1961	1962 [1]	1963 [2]
	Short tons	*Short tons*	*Short tons*
Tanganyika	32,000	63,000	64,000
Kenya	3,100	4,300	8,400
Total	35,100	67,300	72,400

[1] Preliminary. [2] Estimates.

RAW CASHEW EXPORTS BY TANGANYIKA AND KENYA 1961, 1962, JANUARY-JUNE 1963

Year	Tanganyika [1]		Kenya		
	Quantity	Ave. price	Quantity	Ave. price	Total
	Short tons	*U.S. cents per lb.*	*Short tons*	*U.S. cents per lb.*	*Short tons*
1961	44,757	5.6	5,875	6.6	50,632
1962	66,094	4.9	2,152	4.7	68,246
1963, Jan.-June	12,870	4.7	3,755 [2]	5.6	16,625

[1] Figures may include cashews produced in other countries and exported from Tanganyika. [2] May include some shelled nuts. No breakdown available at present.

Hong Kong Cotton Imports at Record Level

Hong Kong imported and used cotton at a record rate during the 1962-63 season, ended July 31, reflecting the rapid expansion that has taken place in the Hong Kong textile industry since World War II.

Imports of cotton into Hong Kong in 1962-63 totaled 554,000 bales (500 pounds gross)—up 21 percent from the 456,000 bales in 1961-62. While raw cotton imports rose from most major suppliers, the quantity obtained from the United States fell considerably. During 1962-63, imports of U.S. cotton amounted to 69,000 bales or 12 percent of total, compared with 116,000 bales—25 percent—in 1961-62.

Quantities imported from principal sources, other than the United States, during 1962-63, with comparable 1961-62 figures in parentheses, were Pakistan 168,000 bales (45,000 bales), Brazil 115,000 (101,000), Tanganyika 52,000 (50,000), Uganda 37,000 (17,000), Mexico, 26,000 (11,000), Kenya 21,000 (10,000), Burma 18,000 (32,000), and India 11,000 (22,000).

Mill consumption totaled a record 515,000 bales in 1962-63, compared with 505,000 in 1961-62. Latest reports indicate that activity in the Hong Kong textile industry is presently at a favorable level. The completion of an agreement under which Hong Kong mills are to spin U.S. P.L. 480 cottons for Indonesia reportedly has stimulated demand for Hong Kong yarns from overseas buyers.

Stocks of cotton in Hong Kong at the end of the season are believed to have been somewhat higher than 1961-62's 90,000-bale carryover.

Canada Uses Less Cotton

Canadian cotton consumption, indicated by the number of bales opened by mills, was 37,000 bales (500 pounds gross) in November compared with 41,000 in October and 35,000 in November 1962.

Consumption during the first 4 months (August-November) of the current season amounted to 149,000 bales. This is slightly above the 135,000 bales used in the same period of 1962-63, and well above average consumption of 126,000 bales in the first 4 months of the past 5 crop years.

Malaya's Exports of Copra and Coconut Oil

Net exports of copra and coconut oil from the Federation of Malaya and Singapore during January-August 1963 totaled 15,685 long tons, oil basis, compared with 8,170 in the same months of 1962.

The main reason for this increase was a slight recovery in production of copra during the first 7 months of 1963, resulting in smaller imports—54,409 tons against 61,926—and larger exports—38,456 compared with 30,483.

Shipments of coconut oil were down to 25,896 tons from 28,293 in January-August 1962.

Angola's Palm Product Exports

Palm oil exports from Angola during the first 6 months of 1963 rose almost one-third to 10,496 short tons from the 8,006 tons exported in January-June 1962. Palm kernel exports amounted to 8,332 tons compared with 5,418 in January-June 1962. Palm kernel oil exports, at 908 tons, were down sharply from the 1,959 exported in the first 6 months of 1962.

Iceland Sells Less Fish Oil

Iceland's exports of herring oil during the first 9 months of 1963 declined by 10 percent to 33,048 short tons. In the comparable period of 1962 they totaled 36,700 tons.

Shipments of cod liver oil (including nonfreezing, nondestearinated, and industrial cod liver oils) amounted to 7,909 tons in January-September 1963—up sharply from the 4,135 exported in the 1962 period. Exports of redfish oil totaled 831 tons as against 16 tons.

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250

OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF AGRICULTURE

To change your address or stop mailing, tear off this sheet and send to Foreign Agricultural Service, U.S. Dept. of Agriculture, Rm. 5918, Washington, D.C. 20250.

Togo's Palm Kernel Exports Rise

Exports of palm kernels from the Republic of Togo during January-August 1963 totaled 10,287 short tons compared with 9,373 in the same period of 1962. Of the total, 8,136 tons were destined for France and 1,488 for the Netherlands.

Italy Buys More Butter and Cheese

Italy's imports of butter in the first half of 1963, at 34 million pounds, were up 41 percent over those in the corresponding period of 1962.

More than half of these imports came from Eastern Europe, with Rumania supplying 6 million pounds, Poland and Hungary, 4 million each, and Bulgaria, 3 million. Appreciable quantities also came from Ireland and Australia. Shipments from EEC countries were only 25 percent of total imports; in the same period of 1962, the EEC had supplied 55 percent.

Italian imports of cheese continued to expand, amounting to 53 million pounds, compared with 49 million last year. Those from Austria increased 33 percent to 10 million pounds. The substantially heavier quantities from Switzerland, Sweden, and France, were sufficient to outweigh the reduced shipments from Denmark and Finland.

Swiss Dairy Trade Larger

Switzerland's exports of cheese in the first 9 months of 1963—52 million pounds—increased 5 percent over the comparable 1962 period. Shipments to most of the major markets, except the United States, were heavier than a year ago. Sales of 20 million pounds to Italy, the principal outlet, accounted for approximately 38 percent of total sales in this period.

For the same 9 months, imports of cheese also rose, coming to 17 million pounds, up 21 percent from 1962. All the major suppliers, particularly Italy, France, and Denmark, shipped larger quantities.

Butter imports, however, declined from 3 million pounds to less than 1 million. Imports from Sweden, Austria, and France were considerably less. There was no trade with Denmark, the Netherlands, or Norway in this period.

WORLD CROPS AND MARKETS INDEX

(Other commodity articles listed on page 2)